GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2815
ANSWERED ON:19.12.2003
CONSORTIUM OF APPAREL EXPORTERS
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL

Will the Minister of TEXTILES be pleased to state:

(a) whether the Apparel Exporters are facing intense competition with China;

(b) if so, whether a consortium of apparel exporters from SAARC countries propose to face competition of the post quota regime from January, 2005 collectively;

(c) if so, the response of the Union Government thereto; and

(d) the corrective steps taken by the Union Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN)

(a) India`s apparel exporters are facing stiff competition from our neighbouring countries, including China, in the liberalised trading regime resulting from phase-out of quotas, removal of quantitative restrictions and lowering of tariffs.

(b) There is no such proposal before the Ministry of Textiles.

(c) Does not arise, in view of (b) above.

(d) Government has been taking a number of measures for enabling the industry to successfully face the emerging competition. Some of the important initiatives are:

i) The Government has de-reserved the woven segment of readymade garment from the SSI sector.It has also raised the SSI investment limit for knitted segment to Rs. 5 crores.

ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures.This further encourages modernisation.

iv) With a view to making fabric production competitive, the custom duty on shuttleless looms has been brought from 15% to 5%.

v) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

vi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.

vii) The Government has launched a centrally sponsored scheme titled `Apparel Park for Export Scheme` for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports.

viii) For upgrading infrastructure facilities at important textile centers, a scheme `Textile Centre Infrastructure Development Scheme` (TCIDS) has been launched.

ix) The Textile Export Promotion Councils have been undertaking promotional measures for boosting exports of textiles including readymade garments.